

ग्रसा**धा**रस

EXTRAORDINARY

भाग I---खण्ड 1

PART I—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह झलग संकलन के रूप में रखा जा सके। Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF FOREIGN TRADE AND SUPPLY

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 13th June 1969

Subject: -Licensing conditions governing imports under EXIM V Line of Credit.

No. 97-ITC(PN)/69.—The conditions governing the imports under the EXIM V Line of Credit as given in the Annexure to this Public Notice are notified for the information of the trade.

ANNEXURE

CONDITIONS FOR LICENSING IMPORTS UNDER THE V EXIM LINE OF ('REDIT (EXIM CREDIT No. 2527) DATED 4th OCTOBER, 1968.

The licence is issued subject to the following conditions and such other public notices and instructions as may be issued from time to time in supercession and/or modification thereof.

I. General Conditions:

(a) Time Limit for ordering.—Firm orders/contracts should be placed on the suppliers in the USA, within three months from the date of issue of the licence and the goods imported within the validity period of the licence stipulated in each case.

- (b) Reporting of orders.—Within a fortnight of the placing of orders/contracts, a report, in triplicate, should be sent to the Ministry of Finance, Department of Economic Affairs (Economic Aid Accounts Section), Jeevan Deep Building, Parliament Street, New Delhi with a copy to Ministry of Industry (FE Section), Udyog Bhavan, New Delhi supported by the following information/documents:—
 - (1) Name of the Project/Scheme;
 - (2) Number, date and value of the licence; and its validity;
 - (3) Value and date of the order placed and accepted by the U.S. Supplier;
 - (4) Name and address of the U.S. Supplier;
 - (5) General description of the item to be imported:
 - (6) Purpose and anticipated place of use of the item of import;
 - (7) A copy of the order placed on the supplier and of his acceptance; and
 - (8) Name and address of the Commercial Bank through whom payment will be arranged.

Any change in the contract should be promptly reported.

- (c) U.S. goods and invoice value.—It should be ensured by the licensee through a suitable provision in the purchase contract/order with the U.S. supplier that: (i) the invoice of the supplier takes into account all discounts, allowances, rebates or other payments received or to be received in connection with the purphase of the goods and that the invoice indicates the exact amount required to be paid to the supplier and that (ii) the goods supplied are of U.S. MANUFACTURE AND ORIGEN. The licensee should obtain and submit certificate in the form given at Appendix 'D' from the supplier, while certificates in form at Appendix 'E' and 'F' should be submitted by the Licensee.
- (d) Shipping and Insurance.—(A minimum of 50 per cent by both tonnage and value) of the total ocean movement of cargo under this licence should be transported in U.S. flag commercial vessels and the remaining up to 50 per cent should be transported on Indian vessels. No third country vessel can be used. Before using Indian vessels the licensee is required to get the written approval of the Director, Indian Supply Mission (USM). Washington D.C. through his supplier/shipper, as that Mission will exercise the function of co-ordinating shipments of cargoes under the EXIM CREDIT so as to ensure the fulfilment of the requirement that a minimum of 50 per cent of the total cargoes under this Credit should move on U.S. Flag vessels. (The application to the Director, I.S.M. should contain particulars as given in Appendix 'G'). The licensec should also instruct his supplier/shipper to furnish the following information about his cargoes as and when shipments are made, whether by Indian or U.S. vessels, with a copy of the bill of lading to:
 - (1) The Director. India Supply Mission, Shipping Branch 2536, Massachusetts Avenue, Washington D.C.
 - (2) Government of India, Ministry of Finance, Department of Economic Affairs, (Economic Aid Accounts Section) Jeevan Deep Building, Parliament Street, New Delhi.
 - (3) Jt. CCI & E. Udyog Bhavan, New Delhi.
 - (1) Sailing Date.
 - (2) Name of vessel and Registry (i.e. Nationality).
 - (3) Brief Cargo description.
 - (4) Value of cargo.
 - (5) Manifest Tons on which freight paid, weight or measurement.
 - (6) Ocean freight paid.
 - 2. Insurance may be effected either with Indian or U.S. Insurance Companies.
- 3. Where U.S. shipping and insurance services are used, the payments should be made in U.S. dollars. Where Indian shipping and Indian insurance services are used, the payments should be made in India in Indian rupces and will not be reimbursed out of the Exim Loan.

- 4. All contracts between the Importers and U.S. Exporters or between the Importers and Insurers/Shipper, etc., shall include a provision to the effect that the declarations notified by the Government of India from time to time to comply with the requirements under the Government's Loan Agreement with the U.S. Export Import Bank shall be fully completed and provided to the Importer.
- 5. The contracts should provide payment on cash basis and no payments shall be permitted beyond the 31st March, 1970.
- 6. The importer shall retain for a period of seven years for inspection by or delivery to Exim bank or its agents as Exim bank may request, such invoices and bills of lading, or authenticated copies thereof as may be issued relating to each item financed under this Credit.
- 7. Disputes.—The importer shall note that the Government will not undertake any responsibility for disputes, if any, that may arise.
- 8. Future Instructions.—The importer shall promptly comply with any directions, instructions or orders issued by the Govt. regarding any and all matters arising from or pertaining to the import licence.
- 9. Breach or Violations.—Any breach or violation of the conditions set forth in the clauses mentioned above would result in appropriate action under the Import and Export (Control) Orders.

II. Payment Procedure and Documentation;

Where the value of an individual contract on a U.S. supplier is below \$100,000 (Rs. 7,50,000) the reimbursement procedure, as outlined in Part A of this para should be followed and in other cases, namely, where the value is \$1,00,000 (Rs. 7,50,000) or higher, the letter of commitment procedure, as outlines in Part B of this para should be followed.

Part A.—(Reimbursement Procedure).—For individual orders where value is less than \$ 100,000 payments to the US supplier should be made as per the terms of the purchase contract by remittance through normal commercial banking channels, and the importer should furnish to the Government the documents necessary for obtaining reimbursement from the US Exim Bank. The details in this regard are given below. The licensee should furnish the following documents in triplicate to the Assistant Accounts Officer, Ministry of Finance, (Department of Economic Affairs) (Economic Aid Accounts Section), Jeevan Deep Bullding, Parliament Street, New Delhi-1 within 2 weeks from the date of shipment:—

- (i) Receipted invoices.—Of the US supplier for the c.i.f. value of the good, if freight and insurance is also arranged by the supplier; otherwise original receipts of the shipping company and/or insurance company showing the actual freight/insurance charges paid in dollars should also be supplied besides the supplier's receipted invoice. Documents evidencing payments to suppliers should be submitted, which should also indicate the exact date of payment. (Attention is invited to clause I(c) of the General Conditions).
- (ii) Declaration, duly completed, as in Appendix 'A' (Attached) from the insurance or reinsurance underwriter, as in Appendix 'B' (Attached) from the insurance broker, as in Appendix 'C' (Attached) from the freight-forwarder and as in Appendix 'D' (Attached) from US supplier. In the case of f.o.b. contracts, in addition to declarations in Appendix 'A', 'B', 'C' and 'D' from the insurer insurance broker, freight forwarder and the contractor respectively, a separate declaration in the form at Appendix 'D' should cover the value of ocean freight.

In the case of c. & f./c.I.f. contracts it will be adequate if a declaration in form Appendix 'D' indicating the full c. & f./c.i.f. value is completed by the US supplier. (In case insurance is taken with Indian companies, it is not necessary to furnish declarations in the form at Appendix 'A' and 'B').

Part B.—Letter of Commitment Procedure.—The Letter of Commitment procedure is required to be followed if an individual order on any single US supplier against an import licence involves opening of a commercial Letter of Credit in the amount of \$ 100,000 (Rs. 7.5 lakhs) or above. No remittance of foreign exchange will be permitted against imports covered under the letter of commitment procedure. Private Sector (including Indian agents on whom orders are placed direct by Public Sector undertakings, Electricity Boards, Central and State Government Departments etc.

Within three weeks from the placement of orders, the importers should apply (in the form given at Appendix 'H') to the Accounts Officer, (Economic 'Aid Accounts Section), Ministry of Finance, Department of Economic Affairs, Jeevan Deep Building, Parliament Street, New Delhi for a separate and express authorisation for opening a commercial letter of credit in favour of the US supplier through an authorised dealer in Foreign Exchange in India. Alongwith this application, the importers should also furnish a bank guarantee in form at Appendix I from an authorised dealer in foreign exchange in India through whom letter of credit is proposed to be opened. The Bank guarantee should be for an amount representing the rupee equivalent of the dallar value of the proposed Letter of Credit. The prevailing composite rate of conversion shall be applied for calculating the rupee equivalent, the current rate being \$ 1.00=Rs. 7.575. Any change in this composite rate of exchange will be notified by the Government as and when it takes place.

- 2. The draft of the Letter of Credit proposed to be opened (Five copies) should also be furnished to this Department which inter alia should indicate:—
 - (i) Number and date of the contract;
 - (ii) Other conditions and documents (stipulated in part I(c) and (d) of the General Conditions) against which payments will be made to the U.S. supplier by the U.S. correspondent Bank.
 - (iii) Documents required to be submitted by the U.S. correspondent bank to Exim Bank as indicated in Part A above.
 - (iv) Only dollar payments are required to be made to the U.S. suppliers by the U.S. correspondent banks and will be reimbursed by the Exim bank.
 - (v) Original shipping documents etc. (Negotiable set) should be forwarded by the U.S. correspondant bank to the Indian Bank which has opened the letter of Credit alongwith an advice note giving full details of payment and dates etc.

If the application, the bank guarantee and draft Letter of Credit are found to be in order, the Department of Economic Affairs (Economic Aid Accounts Section) will refer, through ISM Washington, the draft Letter of Credit to the U.S. Exim Bank for their approval and for issue of necessary Letter of undertaking to reimburse the correspondent U.S. Bank of dollar payments to be made in accordance with the terms and conditions of Letter of Credit. As soon as this approval and undertaking are received, that Department will authorise the importer to open the Letter of Credit in favour of the U.S. supplier.

- 3. Within seven days of the receipt of the documents etc. as indicated in 2(v) above, the Bank in India shall arrange to desposit to Government account, as indicated in succeeding paras the rupee equivalents of the amounts disbursed to the suppliers calculated at the prevailing composite rate of conversion between dollar and the rupee along with interest at 6 per cent. per annum for the period between the date of payment to the U.S. suppliers and the date on which the rupee equivalents are deposited. (The current composite rate is \$ 1.00=Rs. 7.575). It will be the responsibility of the bankers to arrange for the deposite of these amounts before the original sets of import documents are handed over to the importers.
- 4. The deposite envisaged in the earlier paras may be made either at the Reserve Bank of India, New Delhi or the State Bank of India, Tis Hazari, Delhi or the amount may be remitted by means of a Demand Draft drawn on and in favour of the Agent, State Bank of India, Tis Hazari, Delhi-6 for credit to Govt. account as contemplated in Public Notice No. 233-ITC(PN) |68 dated 24th October, 1968. The head of the account to be credited is "T-Deposites and Advances—Part II—Deposits. Deposits not bearing Interest—Direct Payment Procedure" under the detailed Head. "Deposits for cost of supplies and equipment under the Fifth Exim Line of Credit."
- 5. It will be obligatory for the importers to make the requisite rupee deposits through authorised dealers only and also to get the Exchange Control copy of the licence endorsed by them as required in Public Notice No. 184-ITC(PN)/68 dated the 30th August, 1968. They should also fill in the requisite 'S' Form as prescribed by the Reserve Bank of India.

(ii) Public Sector (Other than State Electricity Boards & Central & State Government Departments).

In the case of orders placed directly on the U.S. Suppliers by the importers in the Public Sector, the procedure outlined for the importers in the Private Sector will apply mutatis mutandis except that no Bank guarantee needs be furnished from the Indian Bankers through whom L/C is proposed to be opened. These importers will, however, be required to nominate a branch of the State Bank of India through whom the L/C will be opened and the documents should be sent.

(iii) Central & State Government Departments including State Elect. Boards.

The importers will make all the payments through the C.A.O., I.S.M., Washington who will follow the reimbursement procedure or the L/C procedure according to the value of individual order on any single U.S. supplier. For this purpose, they will, however, be required to follow the general conditions laid down in part I hereof. The Debits for these payments will be raised against them in the usual manner through the Accountant General Central Revenues, New Delhi or their respective Accounts Officer as the case may be.

Appendix A

Suppliers' Certificate

(Insurance or Re-insurance underwriter)

Export-Import Bank of Washington Washington 25 DC

Re (Borrowcr)

(Identity contract by names of parties, number and date

Dear Sirs:

We have written the contract identified above and we understand that the premiums thereon may be financed (including reimbursement) on whole or in part through a credit established by the Export-Import Bank of Washington, an agency of the United States of America.

	Name	and	address	of	underwriter
Ву					
Title					
Appendix	В				

Suppliers' Certificate

(Insurance broker)

Export-Import Bank of Washington Washington 25 DC

Re: Borrower

(Identity contract by names of parties, number and date)

Dear Sir:

We have assisted in placing the contract identified above and we understand that the premiums thereon, may be financed (including reimbursement) in whole or in part through a credit established by the Export-Import Bank of Washington, an agency of the United States of America.

We hereby certify that except for a standard broker's commission of not more than——% of the amount of said premiums, we have not accepted, agreed to accept or caused to be accepted from any person or other entity and have not granted or paid, agreed to grant or pay, or caused to be granted or paid to the insured or to any other person or entity (except our regular full-time director, officers and employees to the extent of their regular remuneration) any in connection with the sale, or for obtaining the sa'e, of the insurance provided by the said contract

officers and employees to the exte	nt of their regular remuneration) any in con- ning the sa'e, of the insurance provided by the
	Name & address of Broker.
Ву	Traine to dearest of proner,
Title	
	Appendix C
Supp	oliers' Certificate
(Fre	ight Forwarder)
Export-Import Bank of Washington Washington 25 DC	a,
Re: Borrowe	•
Dear Sirs:	
We understand that the services Number Date Add	covered by our invoices described as follows
may be financed (including re-imble	arsement) in whole or in part through a credit Bank of Washington, any agency of the United
in said invoices, we have not grant to be granted or paid to the addr person or entity (except our regula- to the extent of their regular remu- mission fee or other payment in	or the discounts and allowances, if any, stated sed or paid, agreed to grant or pay, or caused essee of any of said invoices or to any other lar full-time directors, officers and employees, ceration) any discount, allowances, rebate comconnection with sales, of or for obtaining the led by the said invoices, except as follows (if
Payee or Intended Payee	Address
If so requested by you, we will ing the service performed by each and setting out the amount received	
_	Name & address of forwarder.
By	
Appe	NDIX D
Supp	liers' Certificate
	insurance and freight forwarding)
Export-Import Bank of Washington	
Washington 25 DC Re:	
Dear Sirs:	
We understand that the equiprinvoices described as follows:	nent, material and services covered by our
Number Date	Addressee Amount
may be financed (including reimbur established by the Export-Import B States of America	sement) in whole or in part through a credit ank of Washington, an agency of the United

We hereby certify that the equipment and materials covered by said invoices are of the United States manufacture or origin.

We hereby further certify that except for the discounts and allowances, if any, stated in said invoices, we have not granted or agreed to grant or pay, or caused to be granted or paid to the addressee of any of the said invoices or to any other person or entity (except our regular full time director, officers and employess to the extent of their regular remuneration) any discount, allowance, rebate, commission fee or other payment in connection with the sales of, or for obtaining the contracts to sell, the equipment, materials and services covered by said invoices, except as follows (if none please so state).

Payee or	intended	Payee
----------	----------	-------

Address

If so requested by you, we will promptly furnish to you a statement describing the services performed by each of the foregoing payees or intended payees and setting out the amount received or to be received by each.

	Name and address of supplier By
	Title
,	Appendix E
CHIEF CONTROLLER OF IM	MPORTS AND EXPORTS, NEW DELHI
	OF IMPORTS AND EXPORTS, BOMBAY/CALCUTTA
Re: Import Licence No	dated
for	
Sir,	
U.S.A. suppliers for each item of eabove licence is as set forth in the that such amount reflects all fees, re	t purchase price which I/We have paid to the quipment machinery, services etc., against the inclosed receipted invoice of the suppliers, and ebates, discounts, allowances, charges, or other sived or to be received by me/us in connection
Place	Signature
	Name in Block Letters
Date	
	Designation
	Address
Director of the licensee firm or by	d by the Proprietor, Partner or Managing any person duly authorised to sign any legal. The position held by the person(s) signing

APPENDIX F

this declaration should be clearly stated.

CHIEF CONTROLLER OF IMPORTS AND EXPORTS, NEW DELHI JT. CHIEF CONTROLLER OF IMPORTS AND EXPORTS, BOMBAY|CALCUTTA Re: Import Licence No........dt......for.....

Sir,

I/We hereby declared that, except to the extent previously reported in my/our declaration dated (any previous Appendix F) under this licence, I/We have not paid, agreed to pay or caused to be paid to any person or other entity (except our regular full-time directors, officers and employees to the extent of their regular remuneration) and commission, see or other payment in connection with my/our application for securing Governments' approval in principle of the purose for which import is sought to be made under the Export Import Bank Programme, or

application for the import licence or operation of the above licence, except compensation as stated below for bona fide professional, technical, or other comparable service incident presenting the merits of our application(s) or to the operation of the above licence (if none please so state).

Payee or Intended Payee Address Nature of service

There is attached hereto a statement of each above named payee and intended payee verifying the amount stated opposite. This name together with his agreement to accept such reduction therein as may be necessary to make such amount satisfactory to the Government.

Palce......dt......dt.....

Signature	
Name in Block Letters	
Designation	
Address	

This declaration should be signed by the Proprietor, Partner or Managing Director of the licensee firm or by any person duly authorised to sign any legal declaration on behalf of the firm. The position hold by the person(s) signing this declaration should be clearly stated.

*Strike out whichever is not relevant.

APPENDIX G

Application form to be filled in by or on behalf of the private sector importer for relaxation of the requirement of 100 per cent shipment of cargo by U.S. vessels imposed by the Government of India.

This form should be filled in triplicate and addressed to the Director, India Supply Mission, Shipping Branch, 2536, Massachusetts Avenue, N.W., Washington-8, D.C.

- 1. Name and Address of the applicant.
- 2. Whether the applicant is a principal or an agent and his status in connection with the application?
- 3. What is the amount of foreign exchange released to him?
- 4. What is the type of goods to be transported from the U.S.A. to India?
- 5. What is the approximate tonnage?
 - 6. What is/are the shipping period/periods and name of the Indian vessels, if known?
- 7. What is the percentage of goods in tonnage for which waiver is now required for shipment by Indian vessels, and what is the approximate cost of transportation?

I/Wc hereby declare that the information mentioned above is correct to the best of my/our knowledge and belief. It is hereby warranted that I/We and my/our company are liable for any damages that the Government of India or the India Supply Mission. Washington, D.C. may incur by acting on the information given above in case the information is found to be basically incorrect or misleading I/We further warrant that no quantities will be shipped in Indian flag vessels without the written authorisation of the India Supply Mission and in excess of any quantities in that written authorisation.

(Signature of the applicant.)

APPENDIX H

Form of application from importer for authorisation to open a letter of credit under Letter of Commitment Procedure

То

The Assistant Accounts Officer, Economic Aid Accounts Branch. Ministry of Finance (Deptt. of E.A.),

Subject.—Import of from USA, under V Exim Line of Credit.
Sir.

In connection with the import of———————————from USA against V Exim Line of Credit No. 2527. we furnish the following particulars to enable you to issue us authorisation for opening of a letter of credit through our bankers:

1. Name and address of the Indian Importer.

- 2. Number, date and value of the import licence foreign exchange release and date of its expiry.
- 3. Name and full address of the U.S. suppliers.
- Value in dollars of the order placed and accepted by the suppliers.
- Expected date by which payments to the suppliers are expected to be completed.
- 6. Description of the goods to be imported.
- A schedule indicating probable date with amounts on which payments under the contract will fall due.
- 8. Name and address of the Indian Bank through whom the import documents are to be received, and (N.B.). In the case of public sector importers, the bank to be nominated should be a branch of the State Bank of India. No such nomination will be necessary in case of imports made by the Department of Central State Governments (including State Electricity Boards).
- 9. The name and address of the Bank in USA who will issue the L|C in favour of the supplier.
- *The Bank Guarantee furnished by Name of the Bank and which name been duly adjudicated by the Collector in accordance with the provisions of Section 31 of the Stamp Act, 1899, is attached.
- (e) three copies of each of the contract|s of the U.S. suppliers are attached herewith.
- (f) Four copies of the proposed letter of credit in favour of the U.S. supplies are attached herewith.
- (g) I certify that the licensing conditions are being fully followed.

Yours faithfully

(Signature of the licensee and full address)

*Applicable to Private Sector Importers only.

APPENDIX I

 T_0

The President of India, through Secretary to the Government of India, Ministry of Finance, Department of Economic Affairs, NEW DELHI.

Sir.

In consideration of the President of India hereinafter referred to as 'the Government' having agreed to arrange for payment in foreign currency of the price of goods to be imported by

(i) ——	
(ii) (iii) (iv)	Individual partners working under the name an style of M s

(Name & Address(es)

(i) Within 7 days of the receipt of the advice of travenent with shifting documents, from the U.S. Suppliers of respected valenties the cost in U.S. dollars disbursed by the Exim bank USA to the suppliers, at the rate of Rs. 757.5=US \$100

along with interest thereon at 6 per cent per annum from the date of payment to U.S. Suppliers to the date of deposit of the rupee equivalent.

- 2. (ii) Within 7 days of the demand by the Government, such additional amount as may be demanded by the Government as being due on account of service charges.

- 4. We,.....agree and undertake not to revoke this guarantee during its currency except with the previous consent of the Government of India.
 - '*' referred to as the importers under import licence No.....
- 5. The guarantee herein contained shall not be affected by any change in the constitution of the Importers or of our Bank.
- 6. The Government shall have the fullest liberty without affecting this guarantee to vary any of the terms of the Import Licence detailed above or to extend the time for payment by the Importers from time to time or to postpone for any time and from time to time any of the powers exercisable by it against the importers and we,......shall not be released from our liability under this guarantee by any exercise by the Government of the liberty with reference to the amount aforesaid or by reason of any such variation or extension of time being given to the Importers or any forbearance, act or omission on the part of the Government or any indulgence by the Government to the Importers or by any of the matters or things whatsoever which under the law relating to surefes shall but for this provision have the effect of so releasing us.........Bank from our such liability.

Yours faithfully,

Signature of the Authorised Officer of the Bank and Bank's full address.

Place:	
Date:	

(The Bank guarantee is to be executed on a non-judicial stamp paper, the value of the stamp being adjudicated by the Collector in accordance with provisions of Section 31 of the Indian Stamp Act, 1899).

*Strike out which is not applicable.

**This date shall be arrived at by adding one month to the date by which all payments are expected to be finalised for shipments, as per delivery schedule of the relative contracts.

R. J. REBELLO, Chief Controller of Imports and Exports.